

DOT Bonding Assistance Program

Program Goal

The Bonding Program offers certified minority, women-owned and disadvantaged business enterprises (DBEs) an opportunity to obtain bid, payment and performance bonds for transportation-related projects.

Program Structure

The Program provides an 80% guarantee against losses on contracts up to \$1,000,000. Bond approval and issuance are performed by the DOT Capitol Sureties.

Program Administration

The Program is administered by the U.S. Department of Transportation's (DOT) Office of Small and Disadvantaged Business Utilization (OSDBU). Funding for the guarantees is provided by DOT's OSDBU and is administered by local bond agents that are located in designated areas of the country.

Bond Application

Bond applications may be obtained from designated local bond agent.(See list below) or from the OSDBU.

Required Information

Bond applications include a list of information items to be furnished. Among them are the following:

- Business financial statements for the previous two years, prepared by an independent accountant/CPA
- Company and contract performance history
- Uncompleted contracts schedule
- References from banks, suppliers and agencies/contractors
- Bid/proposal solicitations
- References from banks, suppliers and agencies/contractors for which contracts were performed.
- History of the company

Application Assistance

Firms may consider utilizing the services of the U.S. Department of Commerce's Minority Business Development Centers (MBDCs), the Small Business Development Centers (SBDCs), or State Supportive Services Contractors for state DOTs, as possible sources for assistance in preparing bond applications. The Bonding Program will also accept applications developed by private sources and organizations.

Eligibility

Firms are eligible to participate in the Program when certified as DBE by an agency using DOT guidelines (49 CFR, Part 2b). Also, firms certified as 8(a) companies by the U.S. Small Business Administration under Section 8(a) of the US Small Business Act, are eligible to participate in the Bonding Program.

For General Information

U.S. Department of Transportation
Office of Small and Disadvantaged
Business Utilization S-40
400 Seventh Street, S.W., Room 9410
Washington, DC 20590
Telephone: (800) 532-1169
(202) 366-1930



Most Often Asked Questions About the DOT Bonding Assistance Program

The following questions and answers have been developed as a guideline to the program qualifications and procedures:

Q: Who can participate in the DOT Bonding Assistance Program?

A: The DOT Bonding Assistance Program is available to any company which holds or is in the process of obtaining a transportation-related contract and is certified as a DBE by any agency applying DOT certification requirements. It also applies to any firm certified as an 8(a) firm by the U.S. Small Business Administration.

Q: What types of bonds are available?

A: Bid proposal, payment and performance bonds are all available through the DOT Bonding Assistance Program. Transportation related contracts up to \$1,000,000 can be supported.

Q: Is there any fee involved?

A: All bonds issued through the DOT Bonding Assistance Program shall have a standard fee of no more than two and one half (2 1/2) percent. Environment Project Bonds are also issued and can have a fee of no more than three (3) percent. All fees shall be paid directly to the surety by the DBE.

Q: How do I apply?

A: If you are in one of the Pilot Bonding Program areas, as listed on the following pages, you may contact the local agent for an application. Completed application are forwarded to the local agent.

Q: What type of information needs to be included with the application?

A: The bond package must include all information contained in the application form and exhibits or an explanation for any omission(s).

Q: Where can I obtain assistance in preparing the application package?

A: Firms may consider utilizing the services of the U.S. Department of Commerce's Minority Business Development Centers (MBDCs), the Small Business Development Centers (SBDCs), or State Supportive Services Contractors for state DOTs as possible sources for assistance or guidance in preparing bond package. The Bonding program will also accept packages developed by private sources and organizations.

Q: Who makes the final decision for bond approval?

A: The firm has an opportunity to correct any deficiencies before the application is sent to a surety by the local bonding agent. The surety company performs the final underwriting and either issues the bond, or denies it. Decisions for the issuance of all bonds are the responsibility of the surety. DOT provides an 80% guarantee to the surety against losses.

Q: Must I submit my application to the Washington, DC for approval?

A: The DOT has initiated several Pilot Bonding Programs throughout the country where local agents have the authority to issue bonds directly to the DBE. In order to determine whether a Pilot Program is located in your area, please review the listing of program agents, or you may contact OSDBU for further information.

Q: Can I apply for bond readiness?

A: Bond readiness will be performed by the surety or local agents for firms interested in seeking transportation-related contracts. Bond readiness will consist of a complete package review and preliminary underwriting. Bond packages may be maintained with the current financial data for a period of 90 days, at which time the DBE will be requested to update any part or the overall bond package.



For more specific information on the Bonding Assistance Program, please contact:

DOT Bonding Program Agents

States of AL, KY, GA, TN

1. Bob Hrehor
BDH Associates
620 Hillcrest Rd., Suite 400
Atlanta, GA 30247
Telephone: (770) 564-2999
Fax: (770) 564-9327

State of IN

2. Bob Stimpson
Aon Risk Services
251 N. Illinois, Suite 1500
Indianapolis, IN 46204
Phone: (317) 237-2402
Fax: (317) 237-2461

States of CA & NV

3. Jim R. Olsen
JR Olsen Bonds & Insurance
7407 Topanga Canyon Blvd.,
Canoga Park, CA 91303
Phone: (818) 224-4855
Fax: (818) 227-2632
** (Serving Southern CA & NV)

States of NY, NJ

4. Thomas J. Gaines
Gardner State Bond Brokerage
40 Rhea Run
Newton, NJ 07860
Phone: (973) 300-0682
Fax: (973) 579-0016

States of NC & SC

5. Wayne McCartha
McCartha, Cobb
1407 Calhoun St.
Columbia, SC
Phone: (803) 799-3474
Fax: (803) 799-3711

State of CA

6. Richard Jaffee
Jaffee Bonds & Insurance
809 Second St.
Santa Rosa, CA 95404
Phone: (707) 546-4910
Fax: (707) 546-4931
**(Serving Northern CA)

State of OH

7. John Abrams
Surety Services of America
4030 Mt. Carmel Tabasco Rd
Suite 221
Cincinnati, OH 45255
Phone: (513) 688-0800
Fax: (513) 688-0300

State of OH

8. Frank Lech
O'Leary Kientz
2133 Luray Ave.
Cincinnati, OH 45206
Phone: (513) 872-5700
Fax: (513) 872-5716

States of FL, LA, TX, Caribbean Islands

9. Linda Burton
Clarion Insurance Agency
1820 North University Dr.
Plantation, FL 33318
Phone: (954) 423-2311
Fax: (954) 423-1192

Orlando, FL

10. Brad Harris
Security Bond Assoc., Inc.
2909 Fairgreen Street
Orlando, FL 32803
Phone: (407) 896-1162
Fax: (407) 896-8393

Tallahassee, FL

11. Nancy Landry
Security Bond Assoc., Inc.
1327 North Adams Street
Tallahassee, FL 32303
Phone: (850) 224-3060
Fax: (850) 224-6040

States of AK, ID, WA, UT, CO

12. Mary Faure
Surety Insurance Services
of the Northwest, Inc. (SISN)
155 NE 100th, Suite 303
Seattle, WA 98125
Phone: (206) 527-6624
Fax: (206) 527-4358

States of OR, CO, UT

13. Mary Ann Skinner
Skinner Bonding
0123 SW Hamilton
Portland, OR 97201
Phone: (503) 226-6444
Fax: (503) 226-6534

**FOR ADDITIONAL
INFORMATION, PLEASE
CONTACT:**

Arthur D. Jackson
Surety Bond Manager
DOT Surety Bond Division
Phone: (800) 532-1169 or
(202) 366-5344
Fax: (202) 366-7538

